WRITTEN ANSWERS TO QUESTIONS

Transparency in stock market transactions

*103. SHRI B. K. HARIPRASAD, Will the Minister of FINANCE be please to state:

(a) whether the present state of operations at SEBI has come in for a lot of criticism from the investors and what has Over the Counter Exchange done to win back the investors' confidence;

(b) whether alarming fluctuations in Sensex graphs in the recent past indicate lack of adequate transparency in stock market transactions; and

(c) the measures taken to protect the small investor from the vagaries of dubious public issues that flood the market and what are the preventive measures taken by the SEBI in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Securities and Exchange Board of India (SEBI) has, as a central objective, the protection of investors and the enhancement of their confidence in respect of transparency in capital market transactions. Criticism voiced by investors and others is taken into account while considering changes in its regulatory and policy framework, and SEBI strives to be continually vigilant in these matters. The Over-the Counter Exchange of India (OTCEI) has also been providing fair and efficient services to investors through a transparent and screen-based trading system. The OTCEI has at present a net work in three cities of Bombay, New Delhi and Madras and it has a proposal to expand it's net work to 51 more cities in the near future.

(b) Prices of securities in the stock market and their indices are liable to fluctuate on account of the interplay of various factors such as expectations of investors relating to the over-all economic environment, the performance of the corporate sector, transactions by large institutional investors, capital market trends overseas, including the secondary market prices of global depository receipts issued by Indian companies, and of expectations of changes of policy. Stock prices are also affected by speculative forces and the intensity of this element varies in different circumstances. Fluctuation in prices by itself does not necessarily indicate lack of transparency though lack of transparency can lead to practices such as frontrunning, insider trading and other types of price rigging which can exacerbate normal fluctuations. SEBI is making all efforts to identify undesirable practices in our capital market and to take corrective action as appropriate. For this purpose, it has recently circulated a consultative paper containing draft regulations for preventing fraudelent and- unfair trade practices.

(c) SEBI has issued guidelines for disclosure and investor protection for governing the issue of securities by companies for, *inter alia* enabling investors to take informed decisions. The offer documents of companies proposing to raise capital from the public are vetted by SEBI for ensuring adequate disclosure. Recently, SEBI has constituted a Committee for examining the existing disclosure standards and for making recommendations for further improvements.

Central accounts deficit in relation to G.D.P.

*107. SHRIMATI MIRA DAS:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) what are the details of current account deficit in relation to Gross Domestic Product in terms of quantum and percentage;

(b) what is the tax revenue in terms of quantum and percentage in its relation to non-tax revenue of the Union Budget;

(c) whether Government have attained fully the borrowing target laid in the current Budget in terms of quantum and percentage; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The external current account deficit in dollar and rupee terms, as well as a per cent of GDP, for the years 1990-91 to 1993-94 is as follows:

Current account Deficit

	1990-91	1991-92	1992-93	Quick Estimates 1993-94
US$ million	–9680	–1178	–3526	–315
Rs. crore	–17368	–2237	–12754	–938
As per cent of GDP	–3.3	–0.4	–1.8	–0.1

(b) The details of tax and non-tax revenue of the Central Government are as follows:

(Rs. crores)

	1992-93 (Accounts)	1993-94 (Accounts)	1994-95 (Revised Estimates	1995-96 (Budget Estimates)
Tax Revenue (Net of States' share)	54,044	53,449	64,988	74,374
Non-tax Revenue	20,084	22,004	23,782	26,413
Tax Revenue as a per cent of Non-Tax revenue	269.1	242.9	273.3	281.6

(c) and (d) The details of the Central Government's market borrowing programme during 1994-95 are given below:

Central Government Market Borrowings Programme during 1994-95.

(Rs. Crores)

Item	1994-95 Budget Estimates	1994-95 Revised Estimates	Column(3) over col. (2) (in per-cent)
I. Domestic Borrowings			
1. Market borrowings	3700	3700	100.0
2. Other medium and long term borrowings*	11000	17000	154.5
3. 364 Day Treasury bills	12000	3870	32.3
Total (1+2+3)	26700	24570	92.0
II. Net extenal borrowings	4279	3947	92.2

*Includes coversion of treasury bills into dated securities, zero coupon bonds and Government stock for which payments are made in instalments.